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ZNR UUUUU ZZH
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FM AMCONSUL MONTERREY
TO RUEHC/SECSTATE WASHDC 3814
INFO RUEHXC/ALL US CONSULATES IN MEXICO COLLECTIVE
RUEHCD/AMCONSUL CIUDAD JUAREZ 0072
RUEABND/DEA HQ WASHDC
RUEHNL/AMCONSUL DEA NUEVO LAREDO RESIDENT OFFICE NUEVO LAREDO MX
RUEFHLC/DEPT OF HOMELAND SECURITY WASHINGTON DC
RHMFIUU/FBI WASHINGTON DC
RUEHGD/DTS GUADALAJARA
RUEHGD/AMCONSUL GUADALAJARA 0117
RUEHHO/DTS HERMOSILLO
RUEHHO/AMCONSUL HERMOSILLO 0050
RHMFIUU/HQ USNORTHCOM
RUEHRS/DTS MATAMOROS
RUEHRS/AMCONSUL MATAMOROS 0264
RUEHRD/DTS MERIDA
RUEHRD/AMCONSUL MERIDA 0277
RUEHME/AMEMBASSY MEXICO 4885
RUEHMC/AMCONSUL MONTERREY 9406
RUEHNG/AMCONSUL NOGALES 0014
RUEHNL/DTS NUEVO LAREDO
RUEHNL/AMCONSUL NUEVO LAREDO 0225
RUEHTM/DTS TIJUANA
RUEHTM/AMCONSUL TIJUANA 0104

UNCLAS MONTERREY 000259

C O R R E C T E D C O P Y - TO CHANGE CABLE CLASSIFICATION TO:

SIPDIS

E.O. 12958: N/A

TAGS: [SNAR](#) [KCRM](#) [PGOV](#) [CASC](#) [ASEC](#) [MX](#)

SUBJECT: CASINO TIES TO PAN CANDIDATES

¶1. (C) Summary. During this year's midterm elections, President Calderon has accused opposition party governors of skimping in the war against the cartels and PAN party president German Martinez has directly blamed Nuevo Leon Governor Gonzalez Paras (PRI) for the increased violence in that state. However, at the local level PAN party officials often times are lacking in transparency. The death of a Beltran-Leyva cartel boss in San Pedro has brought renewed attention to the pernicious influence casinos play in campaign politics. End Summary.

¶2. (C) In a June 26 enforcement action in Monterrey, the Mexican military detained Omar Ibarra Lozano, alias "El 34" or "Caballo", the Beltran-Leyva cartel's plaza boss for San Pedro and the presumed triggerman in the 2006 assassination of Marcelo Garza y Garza, the director of Nuevo Leon's state investigative agency. Ibarra was captured only one month after the capture of his predecessor Rodolfo "El Nito" Lopez Ibarra, who himself had only been in power three months following the capture of his boss, Hector "La Burra" Huerta Rios. The killing of Garza y Garza ushered in a wave of violence in Nuevo Leon, which, in part, prompted President Calderon to send in army forces into the state to take on the cartels shortly after his inauguration in 2006.

¶3. (C) Ibarra was arrested a few hours after the murder of Rogelio Garza Cantu, also known as "El Diablo" or the "Czar of Strip Clubs." Garza was the owner of a large casino in Monterrey and a number of strip clubs in the metropolitan area. A source familiar with casino operations in the area reported Ibarra was arrested after returning from a meeting with Juan Jose ("Pepe") Rojas Cardona, who is widely believed to have orchestrated Rogelio Garza's assassination. Pepe Rojas along with his brother Arturo Rojas are the largest casino operators in the metropolitan area. (Pepe Rojas was also the subject of an unsuccessful assassination attempt in an up-scale area of San Pedro during the fall of 2007.) Since casino licenses are assigned by the federal government to specific individuals, Rodrigo Garza's casino will no longer be able to operate, thus allowing the Rojas brothers to consolidate control of casinos in the Monterrey region.

¶4. (C) Casinos are profitable cash businesses and often used to launder illicit profits. According to our source, the Rojas brothers have close ties to the Beltran-Leyva Cartel. The connection to the Beltran-Leyva Cartel and separate ties to PAN politicians allow the Rojas brothers to operate in an otherwise Gulf Cartel region. Our interlocutor stated that in the 2006 elections, the brothers illegally donated US\$2.5 million each to Adalberto Madero, the current mayor of PAN Monterrey, and Zeferino Salgado, the current PAN mayor of San Nicholas and the PAN's candidate for federal deputy for the San Nicholas congressional district. In this year's election, the Rojas brothers reportedly donated a helicopter and free campaign advertising to Salgado, who is expected to win in the upcoming elections. In addition to campaign contributions, Madero and Zeferino are said to also receive a monthly percentage of the revenue from the casinos.

¶5. (C) Comment. The traffickers, the casino operators, and corrupt politicians form a self-protective triangle, which makes it difficult for honest law enforcement officers to get at organized crime. One way for the Mexican government to strike back at the cartels would be to take a fresh look at its policy on casino licenses. End Comment.

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